The picture signal compensation device 27 is identical to the picture signal compensation circuit 7 of the Second Embodiment except for an arrangement in which a signal transfer circuit 21 is inserted between the $\gamma(G)$ compensation circuit 5 and inverse property compensation circuit 6 of the Second Embodiment, and an output of the output brightness adjustment circuit 13 is supplied to the signal transfer circuit 21.

Please **amend** the paragraph on page 51, lines 6-10 as follows:

The signal transfer circuit 21 multiplies a signal level g_1 of the picture signal g_1 from the $\gamma(G)$ compensation circuit 5 by maximum output brightness i_1 (= $i_{max}(G)$ = $\alpha \cdot I_{max}(G)$) so as to output the resultant picture signal g_2 to the inverse property compensation circuit 6.

IN THE CLAIMS

Please **amend** claims 1, 11, 12, 14-16, and 38 as follows:

1.   (Amended) An image reproducing method for reproducing an image by a display apparatus having a plurality of pixels based on a picture signal including a pixel signal representing information of each pixel, comprising the steps of:

performing an operation to obtain an average signal level which is an average level of all the pixel signals, then, setting an input signal - output brightness property which represents variations in brightness of a pixel with respect to the level of a pixel signal in accordance with the average signal level;

reproducing an image so as to satisfy the input signal - output brightness property thus set; and

reproducing the image so that maximum output brightness of a pixel of the display apparatus varies in accordance with the average signal level.

11.   (Amended) The method as set forth in claim 1, wherein the image is reproduced so that the maximum output brightness becomes small as the average signal level increases.

12.   (Amended) The method as set forth in claim 1, wherein:

in order to reproduce the image, an operation to obtain the maximum output brightness of a pixel of the display apparatus is performed according to the average signal level, then, compensation is further performed on the picture signal subject to the compensation according to the input signal - output brightness property that is set, based on a result of the operation for the maximum output brightness, and the picture signal subject to this compensation is outputted to the display apparatus.

14.   (Amended) The method as set forth in claim 1, wherein:

the image is reproduced so that an exponential value in which the input signal - output brightness property is approximately represented by an exponential function becomes larger as the average signal level increases, and the maximum output brightness becomes smaller as the average signal level increases.

15.   (Amended) The method as set forth in claim 1, wherein:

when the pixel signal includes a brightness signal which represents brightness information of each pixel, the operation for the average signal level is made by performing an operation to obtain an average level of all the brightness signals.

16.   (Amended) An image reproducing method for reproducing an image by a display apparatus having a plurality of pixels based on a picture signal including a pixel signal representing information of each pixel, wherein:

an image is reproduced so that, after performing an operation to obtain an average signal level which is an average level of all the pixel signals, maximum output brightness of a pixel of the display apparatus varies in accordance with the average signal level, wherein the image is reproduced so that the maximum output brightness becomes smaller as the average signal level increases.

38.   (Amended) An image display apparatus which includes a display section having a plurality of pixels for displaying an image and receives a picture signal including a pixel signal representing information of each pixel, comprising:

an average signal level operation section for performing an operation to obtain an average signal level which is an average level of all the pixel signals; and